

Message Text

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PAGE 01 STATE 148475
ORIGIN EB-07

INFO OCT-01 EA-09 ISO-00 L-03 FTC-01 COME-00 TRSE-00
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DRAFTED BY EB/IFD/BP:TASCHLENKER:VJW

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FM SECSTATE WASHDC
TO AMEMBASSY TOKYO

UNCLAS STATE 148475

E.O. 11652: N/A

TAGS: ETRD, JA

SUBJECT: ANTITRUST: YAMAHA-BRUNSWICK JOINT VENTURE AND
FTC INVESTIGATION OF CB RADIOS

1. FEDERAL TRADE COMMISSION (FTC) HAS INFORMED DEPARTMENT
THAT A COMMISSION ADMINISTRATIVE LAW JUDGE ISSUED AN
INITIAL DECISION MAY 2 THAT THE JOINT VENTURE BETWEEN
YAMAHA MOTOR COMPANY, LTD., OF JAPAN AND BRUNSWICK CORPORA-
TION OF THE UNITED STATES TO PRODUCE OUTBOARD MOTORS WAS
NOT A VIOLATION OF SECTION 7 OF THE CLAYTON ACT, AND THAT
QUOTE THE AGREEMENTS BETWEEN THE TWO COMPANIES TO RESTRAIN
COMPETITION WORLD-WIDE BETWEEN THEMSELVES WERE REASONABLE
AS ANCILLARY TO THE LAWFUL PURPOSES OF THE JOINT VENTURE.
UNQUOTE. NOTICE OF INTENT TO APPEAL THE INITIAL DECISION
TO THE FULL COMMISSION HAS BEEN FILED. THE APPEAL IS
LIKELY TO REQUIRE ABOUT A YEAR FOR FINAL RESOLUTION.

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PAGE 02 STATE 148475

2. IN ANOTHER ACTION THE FTC HAS INSTITUTED AN INVESTIGA-
TION OF THE ACTIVITIES OF VARIOUS MANUFACTURERS, ADVERTISERS
AND SELLERS OF CITIZEN BAND RADIOS. THE INVESTIGATION IS
ESSENTIALLY INDUSTRY-WIDE IN SCOPE AND CONCERNS THE POSSI-
BILITY THAT SOME UNFAIR OR DECEPTIVE PRACTICES IN
VIOLATION OF SECTION 5 OF THE FTC ACT MAY BE UTILIZED IN
CONNECTION WITH RECENT CHANGE-OVER FROM 23 CHANNEL SETS

TO 40 CHANNEL SETS. IN CONNECTION WITH THIS INVESTIGATION, THE COMMISSION STAFF WILL BE CONTACTING NUMEROUS U.S. COMPANIES, INCLUDING SHARP ELECTRONICS CORPORATION OF PARAMUS, NEW JERSEY, A SUBSIDIARY OF SHARP CORPORATION OF OSAKA, JAPAN. THE FTC IS UNDERTAKING THIS INVESTIGATION AS PART OF ITS CONSUMER PROTECTION RESPONSIBILITIES.

3. EMBASSY IS REQUESTED TO INFORM THE SECOND INTERNATIONAL ORGANIZATION SECTION OF THE FOREIGN MINISTRY OF THE ABOVE ACTIONS IN ACCORDANCE WITH THE 1967 RECOMMENDATION OF THE OECD COMMITTEE OF EXPERTS ON RESTRICTIVE BUSINESS PRACTICES AND REPORT ANY REACTION.

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Message Attributes

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Sent Date: 24-Jun-1977 12:00:00 am
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Disposition Action: n/a
Disposition Approved on Date:
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Disposition Comment:
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